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July 27, 2005

Bert Layne
Jefferson Gas Transmission Co., Inc.
220 Lexington Green Circle, Ste. 130
P. O. Box 24032
Lexington, KY 40503-3333

CERTIFICATE OF SERVICE

RE: Case No. 2005-00265
Jefferson Gas Transmission Co., Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on July 27, 2005.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF JEFFERSON)
GAS TRANSMISSION COMPANY) CASE NO. 2005-00265

ORDER

On February 16, 1999, in Case No. 1998-00499,¹ the Commission approved rates for Jefferson Gas Transmission Company ("Jefferson") and provided for their further adjustment in accordance with Jefferson's gas cost adjustment ("GCA") clause.

On June 28, 2005, Jefferson filed its proposed GCA to be effective August 1, 2005.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Jefferson's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Jefferson's proposed expected gas cost ("EGC") is \$6.0470 per Mcf, which is 1.5 cent per Mcf more than the previous EGC of \$6.0320.
3. Jefferson's notice sets out no current quarter refund adjustment.
4. Jefferson's notice sets out a current quarter actual adjustment ("AA") of (12.87) cents per Mcf. Jefferson's total AA is (15.17) cents per Mcf, which is 4.16 cents per Mcf less than the previous total AA.

¹ Case No. 1998-00499, Application of Jefferson Transmission Company to Adjust Rates, Order dated February 16, 1999.

5. Jefferson's GCA is \$5.8953 per Mcf, which is 2.66 cents per Mcf less than the previous GCA of \$5.9219.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Jefferson on and after August 1, 2005.

IT IS THEREFORE ORDERED that:

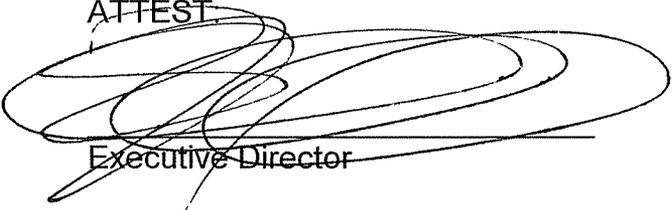
1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for billing for service rendered by Jefferson on and after August 1, 2005.

2. Within 20 days of the date of this Order, Jefferson shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27th day of July, 2005.

By the Commission

ATTEST


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00265 DATED July 27, 2005.

The following rates and charges are prescribed for the customers served by Jefferson Gas Transmission Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates:

	<u>Base Rate</u>	<u>Gas Cost</u>	<u>Rate per Mcf</u>
Minimum Bill - First Mcf	\$3.89	\$5.8953	\$9.7853
Over 1 Mcf	\$2.26	\$5.8953	\$8.1553